GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

STARRED QUESTION NO:650
ANSWERED ON:07.05.2003
MANUFACTURE OF DEFENCE PRODUCTS IN SSI SECTOR
CHANDRA NATH SINGH;NIVEDITA MANE

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Union Government propose to allow Small Scale Industries to manufacture Defence products;

(b) if so, the details thereof;

(c) whether the Government propose to provide any special concessions to the small scale industries for the purpose;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (P. THAKUR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (e) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 650 FOR REPLY ON 07.05.2003

(a) & (b): Small Scale Industries (SSIs) have long been supplying raw materials, finished/ semi-finished products, parts & components to a number of Public Sector Undertakings and Ordinance Factories of the Ministry of Defence. The Army Base Workshops, Air Force Repair Depots and the Shipyards of the Navy are also directly sourcing their requirements from them. SSIs have also been participating in the efforts of the Defence Research & Development Organisation. From May 2001, Defence Industry Sector hitherto reserved from Pubic Sector has also been opened up for participation upto 100% by private sector undertakings, including the SSIs.

(c) to (e): SSI units are already enjoying certain special concessions which inter alia include the following :-

(i) A nominal fee of Rs. 2,000/- is charged for registration for vendor assessment as against Rs. 5,000/- charged from the medium and large scale units.

(ii) The Defence specifications and drawings relating to the development of small items are issued free of cost alongwith tender enquiry to SSIs. For the complete systems where the drawings are elaborate running into hundreds of pages, free access is allowed for perusal to enable SSI Sector to decide whether the same is of interest to them.

(iii) Free consultancy is provided to SSI Sector to help them prepare for registration with DGQA. Relaxation in utilization of test facilities from reputed test houses is also given for certain parameters to SSIs.